

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 386

August 10, 1995, 6:34 p.m.  
Page S-12167 Temp. Record

## DEFENSE APPROPRIATIONS/Progress Payments

**SUBJECT:** Department of Defense Appropriations Bill for fiscal year 1996 . . . S. 1087. Stevens motion to table the Bingaman amendment No. 2392.

### ACTION: MOTION TO TABLE AGREED TO, 62-37

**SYNOPSIS:** As reported, S. 1087, the Department of Defense Appropriations Bill for fiscal year 1996, will appropriate \$242.7 billion for the military functions of the Department of Defense for fiscal year 1996, which is \$6.4 billion more than requested and \$2.3 billion less than the fiscal year (FY) 1995 funding level.

**The Bingaman amendment** would strike section 8082, which provides that "None of the funds available to the Department of Defense shall be made available to make progress payments based on costs to large business concerns at rates lower than 85 percent on contract solicitations issued after enactment of this Act." (Defense progress payments to small business concerns must be 5 percent higher than for large business concerns, and payments for small, disadvantaged business concerns must be 10 percent higher. Thus, the progress payment rates will be 85 percent, 90 percent, and 95 percent.)

Debate was limited by unanimous consent. Following debate, Senator Stevens moved to table the Bingaman amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

**Those favoring** the motion to table contended:

The change to larger progress payments makes sense. First, the faster the Government pays its debts, the lower its interest payments are and thus the lower its overall costs. Second, this provision will push more outlays into the same fiscal year in which budget authority was provided for them. In 1996, we are going to have a surplus of outlays compared to budget authority. If we increase our outlays, we will have greater breathing room in outlays in fiscal year 1997 and beyond. Senators tell us that passing this amendment would save \$488 million in outlays this year. True, but those contracts would still have to be paid, so those outlays would be pushed into the next year, 1997, distorting its budget. With \$488 million less room under the outlay cap in 1997, projects with

(See other side)

YEAS (62)			NAYS (37)			NOT VOTING (1)	
Republicans (51 or 94%)	Democrats (11 or 24%)		Republicans (3 or 6%)	Democrats (34 or 76%)		Republicans (0)	Democrats (1)
Abraham	Helms	Breaux	Grassley	Akaka	Kennedy		Bradley <sup>4</sup>
Ashcroft	Hutchison	Dodd	Jeffords	Baucus	Kerrey		
Bennett	Inhofe	Ford	Lugar	Biden	Kerry		
Bond	Kassebaum	Heflin		Bingaman	Kohl		
Brown	Kempthorne	Hollings		Boxer	Lautenberg		
Burns	Kyl	Inouye		Bryan	Leahy		
Campbell	Lott	Johnston		Bumpers	Levin		
Chafee	Mack	Lieberman		Byrd	Moseley-Braun		
Coats	McCain	Mikulski		Conrad	Moynihan		
Cochran	McConnell	Reid		Daschle	Murray		
Cohen	Murkowski	Robb		Dorgan	Nunn		
Coverdell	Nickles			Exon	Pell		
Craig	Packwood			Feingold	Pryor		
D'Amato	Pressler			Feinstein	Rockefeller		
DeWine	Roth			Glenn	Sarbanes		
Dole	Santorum			Graham	Simon		
Domenici	Shelby			Harkin	Wellstone		
Faircloth	Simpson						
Frist	Smith						
Gorton	Snowe						
Gramm	Specter						
Grams	Stevens						
Gregg	Thomas						
Hatch	Thompson						
Hatfield	Thurmond						
	Warner						

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

low outlay rates would gain preference over spending with high outlay rates, like a pay raise for military members. We oppose distorting 1997's budget to achieve phantom savings in 1996. Every committee budgets in this manner. If the rate at which budget authority is actually expended is not monitored and balanced from year to year the result is great disruption in the ability to provide services. Increasing progress payments is a means to correct an imbalance between defense budget authority and outlays for the next fiscal year. The final point that must be made is that our colleagues do not understand why the bill mentions only large companies as being the companies that will get 85 percent progress payments. If one is ignorant of defense contracting procedures, the appearance is that this bill is treating large businesses more favorably than others. The opposite is true. The Defense Department makes 5 percent larger progress payments to small companies and 10 percent larger progress payments to disadvantaged small companies. Thus, a small company will get 90 percent progress payments under this bill and a disadvantaged small company will get 95 percent progress payments. To recap, paying defense bills faster will result in lower contract costs, plus it will correct an imbalance between defense budget authority and outlays for next year. Our colleagues' belief that this change is being made in a way that discriminates in favor of large companies is false. For these reasons, we urge the tabling of the Bingaman amendment.

**Those opposing** the motion to table contended:

This bill contains an unjustifiable handout to large companies. In both the public and private sector, when a contractor is hired it is customary to make progress payments as the work continues. Part of the money, though, is held back until the job is done. The customary amount to hold back is 25 percent. Once the work is examined, and deemed satisfactory, the remaining 25 percent is paid. The Defense Department has as its official policy to hold back this 25 percent amount. The bill will change it, for large companies only, to 85 percent. The outlay cost to the American taxpayers of this change in fiscal year 1996 will be \$488 million. We think this change is unjustified, and are therefore pleased to vote in favor of the Bingaman amendment, which would strike it.